31 October 1946

MEMORANDUM FOR THE SECRETARY OF WAR

Subject: Administrative Handling of FBIS Activities Outside the U. S. Through War Department Facilities

Pursuant to paragraph 3.c. of the President's letter of 22 January 1946 relative to the establishment of the Central Intelligence Group, and paragraph 4.b. of N.I.A. Directive No. 5 dated 8 July 1946, the operational control of the Foreign Broadcast Intelligence Services was assumed by the Central Intelligence Group on 31 July 1946. The transfer of the personnel on the pay rolls of FBIS and the assumption of other administrative activities pertinent to its operation is to be assumed as of 3 November in accordance with preliginary arrangements which have been made with the appropriate officials.

Insefar as the demestic activities of the FMIS are concerned the Central Intelligence Group is in a position to perform the necessary administrative functions. However, the Group is not in a position at this time to assume the conduct of the administrative functions at those locations outside the continental limits of the United States where FMIS activities are now being conducted or are likely to be performed in the immediate future. This applies particularly to including other locations where Army facilities are STAT now available. It is also desired for security reasons that the Army continue to administratively service FMIS at these locations, particularly in view of the need of avoiding processing confidential documents through the channels of other departments of the Government.

In order that prompt action may be taken in cooperation with WAR
Department officials relative to the administrative handling of FBIS
activities located abroad as of 3 November 1946, it will be appreciated if
immediate arrangements can be made to have the War Department service our
PBIS activities abroad. It is understood that effective upon the date of
the actual transfer of personnel, property, and unobligated funds, the
performance of fiscal and other administrative services by the Army would
be done on a reimbursable basis. The actual reimbursement would be
effected here in Washington, D. C., where Central Intelligence Group has
adequate facilities to handle the several administrative functions involved
and security would not be jeopardized, since processing of applicable
donments could be controlled in accordance with a special procedure approved
by the General Accounting Office.

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Mr. Edward R. Saunders, Chief, Finance Division, is the individual designated by the Central Intelligence Group to discuss and establish detailed procedures to carry out the administrative requirements in this connection.

MOTT S. VANDENBERG Lieutenant General, USA Director of Central Intelligence **TAB** 

5 February 1947

Navy Department Bureau of Supplies and Accounts Washington 25, D. C.

ATTENTION: Lt. Comdr. A. B. Johnson

Dear Sir:

Pursuant to the provision of "Memograndum for the Record" dated 22 January 1927, which was signed by Lt. Comdr. J. S. Claypoole, Jr., you are advised that the Central Intelligence Group has established a procedure whereby payments may readily be effected without the Navy Department furnishing a receipted copy of each invoice as proof of delivery for items furnished to the organization.

In line with the recent suggestion made by Commander Claypoole, and to preclude unnecessary expense to the United Stated Government, it will be appreciated if amended instructions may be issued to supply depots that may ship items to the Central Intelligence Group, that they should effect shipment by commercial means in a manner to permit the commercial bill of lading to be converted to a Government bill of lading at the time the articles would reach destination. A copy of such amended instructions should be supplied for the records of this organization.

Very truly yours.

Chief, Supply Section

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Chief, Fiscal Section

(Concur or not concur) Signature

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